

## REMARKS

Reconsideration of this application, as amended, is respectfully requested. The above amendments are supported by the specification as originally filed, for example at paragraphs 0030, 0031, 0032, 0038, 0045, 0052, 0067 and Figures 3D, 6 and 7A-7D. No new matter is added.

**Claims 1-25 are patentable over Knudson in view of Hsu because even when considered in combination with one another, these references do not suggest a system or method in which an interactive channel bug is morphed into a received broadcast, according to computer-readable instructions executed by a receiver at which the broadcast is received without user intervention**

The present office action admits that the claims are patentable over Knudson, US Patent 6536041, which fails to describe a technique of morphing an interactive bug into a received broadcast in accordance with computer readable instructions executed by a receiver. See Final Office Action of November 6, 2007, at page 3. To cure this deficiency, the Office Action cites Hsu, US Patent 6,295,058, for its description of morphing graphic images on a screen at an interactive receiver. However, the system described in Hsu relies on a user to select a template, to compose the greeting or e-mail, to insert text, video or audio onto the template, to morph graphic images and to transmit the generated greeting or email to a recipient. Hsu 4: 1-14, 7: 9-25. Stated differently, Hsu relies on human interaction to perform these operations. In marked contrast, the present claims recite operations which take place without any user intervention. Thus, even if the teachings of Hsu were combined with those of Knudson, one would still not arrive at the present invention because distinctly different forms of operations would exist.

Moreover, in Hsu the morphing is of graphic images. In Hsu, two graphical images are being morphed to create a morphed image. Hsu 7: 9-25. Hsu does not suggest or teach morphing interactive channel bug into received broadcast without any user intervention. Indeed, nothing gets added to a received broadcast in Hsu. These are further reasons why the present claims are patentable over the combination of Knudson and Hsu.

**Claims 29-31 are patentable over Knudson in view of Hsu because neither of these references teach or suggest aligning an interactive channel bug over a non-interactive broadcast bug, according to computer-readable instructions executed by a receiver at which the video stream is received, without user intervention.**

As discussed above, the combination of Knudson and Hsu fail to provide for the use of computer-readable instructions to align an interactive bug over a non-interactive broadcast bug at the receiver where a video stream is received, without any user intervention. In particular, Hsu relies on

human operators to perform all drag and drop and related activities. Consequently, claims 29-31 are patentable over these references.

If there are any additional fees due in connection with this communication, please charge our deposit account no. 19-3140.

Respectfully submitted,

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